

Corporate Headquarters Application for Sales and Use Tax Deferral 82.82 RCW

THIS LAW IS EFFECTIVE 7/1/09

Use this application if:

- You are the business that is paying for the eligible investment project, or
- there is a lessor and lessee with 100% same ownership **and** the lessor is paying for the same investment project, or
- you are the lessee and will be paying for the building improvements and/or machinery and equipment

General Instructions

Filing: This application can be made at any time prior to completion of construction of a qualified building or buildings, but tax liability incurred prior to the department's receipt of an application may not be deferred.

Corporate Headquarters means a facility or facilities where corporate staff employees are physically employed, and where the majority of the company's management services are handles either on a regional or a national basis. Company management services may include: Accounts receivable and payable, accounting, data processing, distribution management, employee benefit plan, financial and securities accounting, information technology, insurance, legal, merchandising, payroll, personnel, purchasing procurement, planning, reporting and compliance, research and development, tax, treasury, or other headquarter-related services. "Corporate headquarters" does not include a facility or facilities used for manufacturing, wholesaling, or warehousing.

Qualified Building or Buildings means construction of a new structure or structures or expansion of an existing structure or structures to be used for corporate headquarters. If a building is used partly for corporate headquarters and partly for other purposes, the applicable tax deferral is determined by apportionment of the costs of construction under rules adopted by the department.

Investment Project means a capital investment of at least thirty million dollars in a qualified building or buildings including tangible personal property and fixtures that will be incorporated as an ingredient or component of such buildings during the course of their construction, and including labor and services rendered in the planning, installation, and construction of the project.

Eligible Investment Project means an investment project in a qualified building or buildings in an eligible area which will have employment at the qualified building or buildings of at least three hundred employees in qualified employment positions, each of whom must earn for the year reported at least the average annual wage for the state for that year as determined by the employment security department.

Eligible Area means a designated community empowerment zone approved under RCW 43.31C.020.

Use Requirements: All businesses must maintain a qualified activity at the site of the investment project for the year in which the investment project is certified operationally complete, by the Department of Revenue, plus seven additional years. An annual tax performance report due May 31 is also required for every year during the eight-year period.

Waiver of Taxes: If all program requirements are met, the deferred sales/use tax is waived by the Department of Revenue.

Business Name, Address, and Telephone Number

Telephone _____

Contact Person *(All correspondence will be directed to this person)*

Name _____

Address _____

Telephone _____

Fax _____

Email _____

Department of Revenue Tax Reporting Number

The business is: (check one)

New to Washington State ☐

Expanding ☐

Location of Investment Project

County _____

Address _____

Street Address

City, State and Zip Code

Parcel No. _____

Site Description (i.e. new structure, expanding 1st floor, etc):

Business Activity to be Conducted at this Facility		
<i>If additional space is needed to answer questions 1 and 2, please attach additional pages.</i>		
1. Describe the nature of your activity at this facility.		
	<u>Yes</u>	<u>No</u>
2. Is the investment project located in a Community Empowerment Zone (CEZ) as defined in RCW 43.31C.020?	<input type="checkbox"/>	<input type="checkbox"/>
3. Will you have 300 or more employees at this facility?	<input type="checkbox"/>	<input type="checkbox"/>

Apportionment of Structure	
4. Percentage of facility devoted to:	
Accounting/Payroll	_____ %
Administration	_____ %
Cafeteria	_____ %
Common Areas	_____ %
Conference & Training Rooms	_____ %
Customer Service	_____ %
Manufacturing	_____ %
Packing or Packaging	_____ %
Plant offices used by direct line supervisors or other managers who oversee the manufacturing process	_____ %
Processing	_____ %
Reception Area	_____ %
Research & Development	_____ %
Sales & Marketing	_____ %
Warehouse	_____ %
Other (please describe)	_____ %
Total	100 %

Estimated Investment Project Costs	
5. Structure:	
Date construction/expansion to start	_____
Construction of new structure(s)	_____
Leasehold improvements paid for by applicant	_____
Expansion or renovation to expand floor space or production capacity	_____
Total Structure Costs	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>
6. Estimated completion date	_____

Employment Information	
7. Average employment in the state: (1820 annualized hours worked = 1 FTE):	
For the prior year. (# of employees)	_____
For new employment related to this project. (# of employees)	_____
8. Estimated average annual wages of employees related to the project: (\$)	_____

Lessee/Lessor Information (if applicable)	
	<u>Yes</u> <u>No</u>
9.	Will the facility housing the operation be leased by the applicant to a qualified lessee? <input type="checkbox"/> <input type="checkbox"/>
10.	Name of business or entity that is paying for the construction of the building or improvements. _____
11.	Name of the individual or entity that will be headquartered at this location: _____
12.	Department of Revenue Tax Reporting Number of business in #11. _____
13.	Do the lessee and lessor have 100% same ownership? <input type="checkbox"/> <input type="checkbox"/>
	<ul style="list-style-type: none"> If yes, please provide official documentation to substantiate the relationship. (For example: Articles of Incorporation) If the answer is "no", complete a Corporate Headquarter Application for Sales and Use Tax Deferral for Lessor and attach a copy of the lease agreement reflecting the economic benefit of the deferred tax is passed onto the lessee by any type of payment, credit, or other financial arrangement between the lessor and qualified lessee. (The lessee that receives the economic benefit must agree in writing to complete the annual tax performance report. (Attach Copy))

Use of Facility	
All businesses must maintain a qualified activity at the site of the investment project for the year in which the investment project is certified as operationally complete (by Revenue), plus seven additional years.	
	<u>Yes</u> <u>No</u>
14.	Do you plan to operate this investment project in a qualified manner for 8 years from the time the project is certified as complete? <input type="checkbox"/> <input type="checkbox"/>
	<ul style="list-style-type: none"> If the answers "no", how long do you plan to operate this investment project with qualified use? _____
If the qualifying activity is not maintained, all or a portion of the deferred taxes outstanding for this investment will be immediately due. The department will assess interest at the rate provided for delinquent excise taxes, but not penalties, retroactive to the date of the deferral.	

Audit Records Location
<p>If your application is approved, a deferral certificate will be issued using the estimates from your application. Upon completion of the project, an auditor will verify qualified activities at this facility. The auditor may adjust the allowable deferral based on the audit findings.</p> <p>To minimize inconvenience and the time it takes to complete an audit, please have the following records for the audit period available for your meeting with the auditor:</p> <ul style="list-style-type: none"> Purchase invoices (i.e., accounts payable, receipts) Supporting documentation for the construction, such as construction contracts Original Sales and Use Tax Deferral Certificate <p>Although most audits can be completed with the above records, additional documents may be required during the audit.</p>

Print Name _____
Title _____ Date _____
Applicant's Signature _____

Questions: **Call 360- 534-1503 option 6**

Mail or Fax To: **Department of Revenue**
Special Programs Division
PO Box 47477
Olympia, WA 98504-7477
FAX: 360-586-2163

For tax assistance or to request this document in an alternate format, please call 360-705-6705. Teletype (TTY) users may use the Washington State Relay Service by calling 711.